

For Year Ended December 31, 2005

State of Michigan
State Board of Assessors
**ANNUAL REPORT
for
Railroads**

This form is issued under the authority of P.A. 282 of 1905. Filing of this form is mandatory. A company failing to file a report shall be subject to a fine of \$500 per day. **Failure to file this report by the due date will jeopardize the company's right to file a Section 154 appeal with the State Tax Commission.** See <http://www.mileg.org>

Company Name	Federal Employer ID Number
Mailing Address (No., Street, P.O. Box or RR#, City, State, Zip Code)	Company Web site Address
Printed name of president, secretary, superintendent, or chief officer under whose direction this report was prepared	
By my signature below, I certify that the information in this report is complete and correct to the best of my knowledge and belief.	
Signature	Date

Notarization

This document was signed before me by the officer named above who certified this report.		
Notary Public State of _____ County of _____ My Commission Expires _____		
Signature		Date
Person to Whom Correspondence Concerning This Report Should be Addressed		
Address (No., Street, P.O. Box or RR#, City, State, Zip Code)		
Telephone Number	Fax Number	E-mail Address

INSTRUCTIONS

2005

1. **Due Date.** One copy of this report is due in March following the end of the reporting year. Due dates are:
 - Companies with gross receipts below \$1 million: March 15
 - Companies with gross receipts of \$1 million or more: March 31
2. **Companies with gross receipts of US \$1 million or more may report the dollar amounts rounded to the nearest thousand dollars. Check below if amounts are stated in dollars or thousand dollar amounts.**

Stated in dollars _____

Stated in thousands _____

3. Please attach other information which you believe should be considered by the Board of Assessors.
4. Attach to this report a copy of the Annual Report filed with the Surface Transportation Board and Annual Shareholders Report for the reporting year.
5. To receive a copy of the valuation staff's appraisal worksheets check the appropriate box.
☐ e-mail ☐ U.S. Mail

6. **File this report with the State Board of Assessors.**

Mailing Address:

State Board of Assessors
Michigan Department of Treasury
P.O. Box 30471
Lansing, Michigan 48909-7971

For Overnight Package Delivery:

State Board of Assessors
Michigan Department of Treasury
Treasury Building
430 W. Allegan Street
Lansing, Michigan 48922

Questions, contact berquistd@michigan.gov or phone (517) 373-3535.

Inventory is exempt from assessment. Inventory does not include personal property under lease or principally intended for lease or rental, rather than sale. Property allowed a cost recovery allowance or depreciation under the Internal Revenue Code is not inventory. Motor vehicles registered with the Michigan Secretary of State on December 31, 2005 are exempt. Non-registered motor vehicles and equipment attached to motor vehicles which is not used while the vehicle travels on the highway are assessable. Computer software, if the purchase was evidenced by a separate invoice amount and if the software is commonly sold separately, is exempt.

Capitalized expenditures made to a locomotive or railcar after the initial acquisition year must be reported in the year the expenditure is booked as a fixed asset. If the company's accounting and reporting differs from this, an explanation is required. All betterments, including capital improvements, mandated betterments, capital upgrades, safety features and mandated repairs should be reported in the acquisition year they occur.

DO NOT SEND THIS PAGE TO THE STATE BOARD OF ASSESSORS.

Act No. 257
Public Acts of 1995

An Act to amend sections 4, 9, 10, 11, 12, 13, 14 and 19 of Act No. 282 of the Public Acts of 1905, entitled as amended "An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions, of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act," section 13 as amended by Act No. 361 of the Public Acts of 1994, being sections 207.4, 207.9, 207.10, 207.11, 207.12, 207.13, 207.14, and 207.19 of the Michigan Compiled Laws; and to add section 5b.

The People of the State of Michigan enact:

Section 1. Sections 4, 9, 10, 11, 12, 13, 14, and 19 of Act No. 282 of the Public Acts of 1905, section 13 as amended by Act No. 361 of the Public Acts of 1994, being sections 207.4, 207.9, 207.10, 207.11, 207.12, 207.13, 207.14, and 207.19 of the Michigan Compiled Laws, are amended and section 5b is added to read as follows:

Sec. 13. (1) The state board of assessors, from the information contained in the reports provided for in section 12, shall determine for the year in which the reports are required to be made the average rate of taxation levied upon other commercial, industrial, and utility property upon which ad valorem taxes are assessed for state, county, township, school, and municipal purposes, and enter the determination upon its records, together with the method by which the average rate of taxation was determined.

"(2) A railroad company is allowed a credit against the tax imposed by this act for the tax year in an amount equal to 25% of the amount expended for the maintenance or improvement of rights of way, including those items, except depreciation, in the official maintenance-of-way and capital track accounts of the railroad company in this state during the calendar year immediately preceding the tax year but not to exceed the total liability for the tax under this act. The manner of applying for the credit and the proof of expenditures required shall be prescribed by the state board of assessors.

(3) A railroad company that claims a credit under this section is required to file [3 copies of] an annual report with the state board of assessors that shall include detailed data of right of way work conducted in this state during the past calendar year. The state board of assessors shall transmit a copy of the report to the chairperson of the senate finance committee and the house taxation committee. This report submitted to the state board of assessors shall include the number of notices of violation from railway inspectors by railroad section, and shall include a detailed account of the location and the nature of the work. The location of the work shall be defined by the railroad section or mile posts surrounding the work area plus the county, city, or township in which the work was performed. This report shall include a separation of costs by labor and materials on each project. The report also shall include an itemized account of what work was done. This account shall be itemized by the following categories:

- (a) Miles of track laid.
- (b) Tons of new ballast installed.
- (c) Number of ties installed.
- (d) Miles of track surfaced.
- (e) Signals installed.
- (f) Under drainage work done.

(4) The railroad companies, in order to qualify for the full 25% credit under this act, must demonstrate to the state board of assessors that the highest priority of expenditures for the maintenance or improvement of rights of way has been given to rail lines that handle hazardous materials, especially those that are located in urban or residential areas. A railroad company that claims a credit under this section is required to file an annual report with the state board of assessors that shall include detailed data on the tonnages of hazardous materials handled in relation to tonnages of other traffic handled over the rail line for which a tax credit is being applied."

NOTE: Public Act 341 of 2000, being MCL 207.13a amends P.A. 282 of 1905. A credit is allowed for the remaining seventy-five percent of the expenses incurred in this state for maintenance or improvement of rights-of-way, including those items, except depreciation, in the official maintenance-of-way and capital track accounts of the eligible company.

DO NOT SEND THIS PAGE TO THE STATE BOARD OF ASSESSORS.

"(5) A railroad company utilizing the property tax credit provisions of this act shall grant to another railroad company, upon application by the latter, trackage rights over its line for trains, providing that the train operations do not interfere with the movement of Michigan freight using the same trackage, if operations can be accomplished safely in the opinion of the grantor and if trackage arrangements and train operations are approved by the interstate commerce commission. The grantee shall pay the grantor reasonable charges agreed to between the 2 parties if the charges and terms of the agreement between the 2 parties are not in violation of the antitrust provisions of federal laws as amended by the Staggers rail act of 1980, Public Law 96-448, 94 Stat. 1895."

NOTE: The "George Montgomery Railroad Act" (P.A. 322 of 1980) has been amended by Section 13 of P.A. 257 of 1995.

On October 11, 2001, a meeting was held with several representatives of member companies of the Michigan Railroad Association to discuss the use of various claims for credit offsets against the railroads' property tax bills. The claims are made pursuant to MCL 207.13 (2) and MCL 207.13a, with specific mention of those sections referring to the official maintenance-of-way (MOW) and capital track accounts of the company. The following items were agreed to, and the numeric track accounts the railroads used to record those items are given in parentheses. The State Board of Assessors has adopted these items:

Allowable MOW Expenses for Credit Claims

R-1

Sch. 410

Old ICC

<u>Line(s)</u>	<u>Account</u>	<u>Description</u>
1-5	201	Superintendence
6-7	202	Roadway maintenance
8-9	206	Tunnels and subways
10-11	210	Elevated structures
10-11	208	Bridges, trestles, and culverts
12-13	212	Ties
14-15	214	Rail
14-15	216	Other track material
16-17	218	Ballast
12-17	220	Track laying and surfacing
102	221	Fences, snowsheds, and signs
102	229	Roadway buildings - MOW portion only
105	241	Wharves and docks
103-104	243	Coal and ore wharves
106	106	TOFC/COFC terminals
23	247	Communications systems
21-22	249	Signals and interlockers
109	269	Roadway machines
110	271	Small tools and supplies
111	272	Removing snow, ice, and sand
25-26	273	Public improvements - maintenance
115-117	274	Injuries to persons
115-117	275	Insurance
1-117	276	Stationery and printing
112—114	277	Employees' health and welfare benefits
148-150	281	Right-of-way expenses
148-150	282	Other expenses
124-126 & 139-141	278	Maintaining joint tracks, yards, and other facilities - Dr.
127-129 & 142-144	279	Maintaining joint tracks, yards, and other facilities - Cr.

Other (specify and explain)

Class II and III railroads should provide amounts comparable to those entered into these accounts.

DO NOT SEND THIS PAGE TO THE STATE BOARD OF ASSESSORS.

SPECIFIC ITEMS

Automobiles, including "hi-railers."

Brush cutting

Buildings

Docks and Wharves

Public Crossings

Repairs of foreign cars damaged by derailment

Railroad machinery

Printing

Small tools

Snowplowing

Stationery

Cleanups of spills of cargo

Removal of wrecked cars

ALLOWED ACCOUNTS and COMMENTS

Did not exist in 1978; replacement for motorcars.

(Only for MOW and engineering)

(202) Required maintenance to establish sight lines

(17) portion of housing MOW and engineering

(23, 24, 241, 243)

(21, 249, 39, 273) Grants from Michigan Department of Transportation are given "in-and-out" treatment; i.e., they are not on the books. Receipts are not revenue and payments are not expenses.

Determined on case-by-case basis, net of offsets

(37, 269) Allocated portion to MI based on miles

(276)

(38, 271)

(272)

(276)

NOT ALLOWED

NOT ALLOWED

Road and Equipment Property expenditures allowed as a credit claim:

- (1) Engineering expenses directly related to Road and Equipment Property
- (3) Other right-of-way expenditures
- (4) Grading
- (5) Tunnels and subways
- (6) Bridges, trestles, and culverts
- (7) Elevated structures
- (8) Ties
- (9) Rails
- (10) Other track material – may include in 8, 9, or 11
- (11) Ballast
- (12) Track laying and surfacing – may include in 8, 9, or 11
- (13) Fences, snowsheds, and signs
- (17) Roadway buildings
- (23) Wharves and docks
- (24) Coal and ore wharves
- (25) TOFC/COFC terminals
- (26) Communication systems
- (27) Signals and interlockers
- (37) Roadway machines
- (38) Roadway small tools – may include in cost of property involved
- (39) Public improvements-Construction
- (43) Other expenditures-Road (list and explain)

Not allowed for credit claims are expenditures for:

- (2) Land for transportation purposes
- (16) Station and office buildings
- (18) Water stations
- (19) Fuel stations
- (20) Shops and engine houses
- (21) Grain elevators
- (22) Storage warehouses
- (29) Power plants
- (31) Power transmission systems
- (35) Miscellaneous structures
- (44) Shop machinery
- (45) Power plant machinery
- (52) Locomotives
- (53- 58) Railroad cars

Annual Expenses For Maintenance and Improvement of Qualified Rolling Stock in Michigan
For Year Ended _____ Railroad Name _____

P.A. 341 of 2000 allows a credit of 100% of eligible expenses incurred in the State of Michigan by railroad and car companies for maintenance or improvement of eligible companies' qualified rolling stock.

Eligible Expenses

Eligible expenses are expenditures for repairs and maintenance that are incurred in the State of Michigan. The expenses must be for railroad cars determined by the State Board of Assessors as having property tax liability in the year the expenses were incurred. Repairs to leased cars on which the lessor pays the taxes are not eligible for credit claims by the lessee and vice versa. Examples of eligible expenses would include: Repainting, Interior or exterior washing, and repair or replacement of car parts and components.

These credits are not refundable or deferrable; the expenses qualify for credit of up to 100% of a company's property tax liability for the tax year after the calendar year in which the expenses occur. Expenses in excess of a company's property tax liability for that year are not eligible for credit against prior or subsequent years' liability.

Expenses of the following nature are not eligible: expenses for repairs or maintenance performed outside the state of Michigan; expenses for repairs or maintenance on cars for which the Company has no tax liability, expenses for repair, maintenance or improvement to any railroad right-of-way and track, and expenses for repairs or maintenance not incurred in the calendar year covered by this Annual Report.

These credits are not refundable or deferrable; the expenses qualify for credit of up to 100% of a company's property tax liability for the tax year after the calendar year in which the expenses occur.

1. Labor	\$
2. Materials	\$
3. Overhead	\$
4. Payments to others for work done	\$
5. Total Eligible Expenses	\$

6. Describe sales and transfers of car marks during 2005.

SCHEDULE 1 - INVESTMENT IN ROAD PROPERTY USED IN TRANSPORTATION SERVICE

Account	Val. Sec. # _____ From _____ To _____ MI-Road _____	Val. Sec. # _____ From _____ To _____ MI-Road _____	Total Michigan
(2) Land for transportation services			
(3) Grading			
(4) Other right-of-way expenditures			
(5) Tunnels and subways			
(6) Bridges, trestles and culverts			
(7) Elevated structures			
(8) Ties			
(9) Rails			
(11) Ballast			
(13) Fences, snowsheds and signs			
(16) Station and office buildings			
(17) Roadway buildings			
(18) Water stations			
(19) Fuel stations			
(20) Shops and enginehouses			
(22) Storage warehouses			
(23) Wharves and docks			
(24) Coal and ore wharves			
(25) TOFC/COFC Terminals			
(26) Communication systems			
(27) Signals and interlockers			
(29) Power plants			
(31) Power-transmission systems			
(35) Miscellaneous structures			
(39) Public improvements - Construction			
(44) Shop Machinery			
(45) Power-plant machinery			
Other (specify & explain)			
Total Expenditures for Road			
(76) Interest during construction			
Total General Expenditures			
Total Road & General Expenditures			

SCHEDULE 1 - INVESTMENT IN ROAD PROPERTY USED IN TRANSPORTATION SERVICE(cont'd)

Account	Val. Sec. # _____ From _____ To _____ MI-Road _____	Val. Sec. # _____ From _____ To _____ MI-Road _____	Val. Sec. # _____ From _____ To _____ MI-Road _____
(80) Other elements of investment			
(90) Construction in progress			
(59) Computer systems/Word processing equipment			
Michigan investment only			
(37) Roadway Machines - System			
\$			
Michigan % All Track Miles _____			
(732) Improvements on leased property			

SCHEDULE 1 (A) - ADDITIONS AND RETIREMENTS FOR THE YEAR - MICHIGAN ONLY

Account	OPTIONAL Entry of Balance at Beginning of Year (a)	Expenditures for Additions During the Year (b)	Retirements During the Year (c)	Balance at Close of Year (d)
(2) Land for transportation services				
(3) Grading				
(4) Other right-of-way expenditures				
(5) Tunnels and subways				
(6) Bridges, trestles and culverts				
(7) Elevated structures				
(8) Ties				
(9) Rails				
(11) Ballast				
(13) Fences, snowsheds and signs				
(16) Station and office buildings				
(17) Roadway buildings				
(18) Water stations				
(19) Fuel stations				
(20) Shops and enginehouses				
(22) Storage warehouses				
(23) Wharves and docks				
(24) Coal and ore wharves				
(25) TOFC/COFC Terminals				
(26) Communication systems				
(27) Signals and interlockers				
(29) Power plants				
(31) Power-transmission systems				
(35) Miscellaneous structures				
(39) Public improvements - Construction				
(44) Shop Machinery				
(45) Power-plant machinery				
Other (specify & explain)				
Total Expenditures for Road				
(76) Interest during construction				
Total General Expenditures				
Total Road and General Expenditures				

SCHEDULE 1 (A) - ADDITIONS AND RETIREMENTS FOR THE YEAR - MICHIGAN ONLY (cont'd)

Account	Optional Entry of Balance at Beginning of Year (a)	Expenditures for Additions During the Year (b)	Retirements During the Year (c)	Balance at Close of Year (d)
(80) Other elements of investment				
(90) Construction in progress				
(59) Computer systems and Word Processing Equipment - Michigan Investment Only				
(37) Roadway Machines - System				
Cost				
Michigan % All Track Miles				
TOTAL				

SCHEDULE 1 (B) - ESTIMATED NET BOOK VALUE OF RETIREMENTS FOR THE YEAR

Account	Retirements for the Year From Schedule 1 (A) (c) (a)	Accumulated Depreciation (b)	Net Book Value of Retirements (c)
(2) Land for transporation services			
(3) Grading			
(4) Other right-of-way expenditures			
(5) Tunnels and subways			
(6) Bridges, trestles and culverts			
(7) Elevated structures			
(8) Ties			
(9) Rails			
(11) Ballast			
(13) Fences, snowsheds and signs			
(16) Station and office buildings			
(17) Roadway buildings			
(18) Water stations			
(19) Fuel stations			
(20) Shops and enginehouses			
(22) Storage warehouses			
(23) Wharves and docks			
(24) Coal and ore wharves			
(25) TOFC/COFC Terminals			
(26) Communication systems			
(27) Signals and interlockers			

**SCHEDULE 1 (B) - ESTIMATED NET BOOK VALUE OF RETIREMENTS FOR THE YEAR
(cont'd)**

Account	Retirements for the Year From Schedule 1 (A) (c) (a)	Accumulated Depreciation (b)	Net Book Value of Retirements (c)
(29) Power plants			
(31) Power-transmission systems			
(35) Miscellaneous structures			
(39) Public improvements - Construction			
(44) Shop Machinery			
(45) Power-plant machinery			
Other (specify & explain)			
Total Expenditures for Road			
(76) Interest during construction			
Total General Expenditures			
Total Road & General Expenditures			
(80) Other elements of investment			
(90) Construction in progress			
(59) Computer systems and Word Processing Equipment - Michigan Investment Only			
(37) Roadway Machines - System			
Cost			
Michigan % All Track Miles			
TOTAL			

indicated by the letter (J) attached. The first total should be the total miles of road owned and operated by the respondent company. From that total should be deducted all trackage rights (Class 5) and the proportions of joint tracks which are owned by other companies, the intention being that the final total will be that of mileage not reported as owned or controlled by any other operating company.

Name of Road or Track (a)	Most Recent Train speed limit in previous year (miles per hour) (b)	Train speed limit (miles per hour) (c)	Running Tracks, Passing Tracks, Cross-overs, Etc.				Miles of Way Switching Tracks (h)	Miles of Yard Switching Tracks (i)	Total (j)
			Miles of Road (d)	Miles of Second Main Track (e)	Miles of all Other Main Tracks (f)	Miles of Passing Tracks, Cross-overs, and Turn-outs (g)			
<div> <div>SUBTOTAL</div> <div>Deduct trackage rights and proportion of track owned by other companies</div> <div>GRAND TOTAL</div> </div>									

SCHEDULE 3 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Note: Do not complete Schedule 3 if the information is on the Annual Report R-1 attached to this form.

(Dollars in Thousands)

Line No.	Account	Title (a) Current Assets	Balance at Close of Year (b)	Optional Entry of Balance at Beginning of Year (c)
1	701	Cash		
2	702	Temporary Cash Investments		
3	703	Special Deposits		
4	704	Accounts Receivable - Loan & Notes		
5	705	- Interline & Other balances		
6	706	- Customers		
7	707	- Other		
8	708, 709	- Accrued Accounts Receivables		
9	708.5	- Receivables From Affiliated Companies		
10	709.5	- Less: Allowance for Uncollectible Accounts		
11	710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits		
12	712	Materials & Supplies		
13	713	Other Current Assets		
TOTAL CURRENT ASSETS				

OTHER ASSETS

15	715, 716, 717	Special Funds		
16	721, 721.5	Investments & Advances Affiliated Companies		
17	722, 723	Other Investments and Advances		
18	724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities - Credit		
19	737, 738	Property Used in Other Than Carrier Operations (Less Depreciation)		
20	739, 741	Other Assets		
21	743	Other Deferred Debits		
22	744	Accumulated Deferred Income Tax Debits		
TOTAL OTHER ASSETS				

ROAD & EQUIPMENT

24	731, 732	Road		
25	731, 732	Equipment		
26	731, 732	Unallocated Items		
27	733, 735	Accumulated Depreciation & Amortization Schedules		
28		Net Road and Equipment		
TOTAL ASSETS				

NOTES & REMARKS

SCHEDULE 3 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS EQUITY

(Dollars in Thousands)

Line No.	Account	Title (a) Current Liabilities	Balance at Close of Year (b)	Optional Entry of Balance at Beginning of Year (c)
30	751	Loans & Notes Payable		
31	752	Accounts Payable: Interline and Other Balances		
32	753	Audited Accounts & Wages		
33	754	Other Accounts Payable		
34	755, 756	Interest and Dividends Payable		
35	757	Payables to Affiliated Companies		
36	759	Accrued Accounts Payable		
37	760, 761, 761.5, 762	Taxes Accrued		
38	763	Other Current Liabilities		
39	764	Equipment Obligations & Other Long-Term Debt Due w/in 1 Yr.		
		TOTAL CURRENT LIABILITIES		

NON-CURRENT LIABILITIES

8

41	765, 767	Funded Debt Unmatured		
42	766	Equipment Obligations		
43	766.5	Capitalized Lease Obligations		
44	768	Debt in Default		
45	769	Accounts Payable: Affiliated Companies		
46	770.1, 770.2	Unamortized Debt Premium		
47	781	Interest in Default		
48	783	Deferred Revenue - Transfers From Gov't Authorities		
49	786	Accumulated Deferred Income Tax Credits		
50	771, 772, 774, 775, 782, 784	Other Long-Term Liabilities & Deferred Credits		
51		TOTAL NONCURRENT LIABILITIES		

SHAREHOLDER'S EQUITY

52	791, 792	Total Capital Stock:		
53		Common Stock		
54		Preferred Stock		
55		Discount on Capital Stock		
56	794, 795	Additional Capital		
57	797	Retained Earnings: Appropriated		
58	798	Unappropriated		
59	798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities		
60	798.5	Less Treasury Stock		
		Net Stockholder Equity		
		TOTAL LIABILITIES & SHAREHOLDERS EQUITY		

SCHEDULE 4 - RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. All contra entries hereunder should be indicated in parenthesis.

3. Cross Checks:

Line 15, column (b) = Line 62, column (b)

Line 47 plus 48 plus 49, column (b) = Line 63, column (b)

Line 50, column (b) = Line 64, column (b)

Note: Do not complete Schedule 4 if the information is on the Annual Report R-1 attached to this form.

Line #	Item (a)	Amount For Current Year (b)	Optional Entry of Amount For Preceding Year (c)
	ORDINARY ITEMS OPERATING INCOME		
	Railway Operating Income		
1	(101) Freight		
2	(102) Passenger		
3	(103) Passenger-Related		
4	(104) Switching		
5	(105) Water Transfers		
6	(106) Demurrage		
7	(110) Incidental		
8	(121) Joint Facility-Credit		
9	(122) Joint Facility-Debit		
10	(501) Railway Operating Revenues (Exclusive of Transfers From Government Authorities - Lines 1-9)		
11	(502) Railway Operating Revenues-Transfers From Government Authorities for Current Operations		
12	(503) Railway Operating Revenues-Amortization of Deferred Transfers From Government Authorities		
13	TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)		
14	(531) Railway Operating Expenses		
15	Net Revenue From Railway Operations		

OTHER INCOME

16	(506) Revenue from property used in other than carrier operations		
17	(510) Miscellaneous Rent Income		
18	(512) Separately Operated Properties - Profit		
19	(513) Dividend Income (Cost Method)		
20	(514) Interest Income		
21	(516) Income from sinking and other funds		
22	(517) Release of Premiums on Funded Debt		
23	(518) Reimbursements received under contracts & agreements		

SCHEDULE 4 - RESULTS OF OPERATIONS, (continued)
(Dollars in Thousands)

Line #	Item (a)	Amount For Current Year (b)	Optional Entry of Amount For Preceding Year (c)
24	(519) Miscellaneous Income		
25	Income from Affiliated Companies: 519 a. Dividend (equity method)		
26	b. Equity in Undistributed Earnings (losses)		
27	TOTAL OTHER INCOME (Lines 16-26)		
28	TOTAL INCOME (Lines 15-27)		

MISCELLANEOUS DEDUCTIONS FROM INCOME

29	(534) Expenses of property used in other than carrier operations		
30	(544) Miscellaneous Taxes		
31	(545) Separately Operated Properties - Loss		
32	(549) Maintenance of Investment Organization		
33	(550) Income transferred under contracts & agreements		
34	(551) Miscellaneous income charges		
35	(553) Uncollectible accounts		
36	TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)		
37	Income available for fixed charges (Lines 28, 36)		

FIXED CHARGES

38	(546) Interest on Funded Debt: (a) Fixed Interest Not in Default		
39	(b) Interest in Default		
40	(547) Interest on unfunded debt		
41	(548) Amortization of discount on funded debt		
42	TOTAL FIXED CHARGES (Lines 38-41)		
43	Income after Fixed Charges (Lines 37, 42)		

OTHER DEDUCTIONS

44	(546) Interest on Funded Debt: (c) Contingent Interest		
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UNUSUAL OR INFREQUENT ITEMS

45	(555) Unusual or infrequent Items (Debit) credit		
46	Income (Loss) from continuing operations (before income taxes)		

SCHEDULE 4 - RESULTS OF OPERATIONS, (continued)

(Dollars in Thousands)

Line #	Item (a)	Amount For Current Year (b)	Optional Entry Amount For Preceding Year (c)
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PROVISIONS FOR INCOME TAXES

47	(556) Income taxes on ordinary income (a) Federal Income Taxes		
48	(b) State income taxes		
49	(c) Other income taxes		
50	(557) Provision for deferred taxes		
51	TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)		
52	Income from continuing operations (Lines 46-51)		

DISCONTINUED OPERATIONS

53	(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$_____)		
54	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$_____)		
55	Income before extraordinary items (Lines 51+53+54)		

EXTRAORDINARY ITEMS & ACCOUNTING CHANGES

56	(570) Extraordinary Items (Net)		
57	(590) Income taxes on extraordinary items		
58	(591) Provisions for deferred taxes - extraordinary items		
59	TOTAL EXTRAORDINARY ITEMS (Lines 56-58)		
60	(592) Cumulative effect of changes in accounting principles (Less applicable taxes of \$_____)		
61	Net income (loss) (Lines 55 + 59 + 60)		
62	Reconciliation of Net Railway Operating Income (NROI) Net Revenues from railway operations		
63	(556) Income taxes on ordinary income (-)		
64	(557) Provisions for deferred income taxes		
65	Income from lease of roads & equipment		
66	Rent for leased roads and equipment		
67	Net Railway Operating		

SCHEDULE 5 - REAL ESTATE OWNED OR LEASED AND USED IN OPERATION - MICHIGAN

Detailed statement of real estate owned by the respondent in Michigan on the 31st day of December, and used in operation.

Additional sheets may be attached if necessary

[illegible]

**SCHEDULE 6 - NON-CARRIER REAL ESTATE - MICHIGAN
(NOT USED IN RAILWAY OPERATION)**

A. SUMMARY OF NON-CARRIER REAL ESTATE FOR SYSTEM

State	Estimated Market Value	Local Taxable Value
TOTALS		

B. Detailed statement of real estate owned or leased by respondent in Michigan, but which was not used in operation on the 31st day of December.

Description and Location	Dimensions	Area in Acres

**SCHEDULE 7 - STATEMENT OF TOTAL COST OF ROLLING STOCK
OWNED OR LEASED BY YEAR OF ACQUISITION**

Locomotives (Account 52)

Acquisition Year	Optional Entry of Balance at Beginning of Year	Cost of Additions	Retirements Cost	No. of Units	Balance at End of Year	% Cond.	Depreciated Value
Prior						23	
1991						23	
1992						28	
1993						29	
1994						31	
1995						33	
1996						36	
1997						38	
1998						42	
1999						45	
2000						49	
2001						54	
2002						60	
2003						67	
2004						76	
2005						89	
TOTALS							

Freight Train Cars - Including Idle Cars

Acquisition Year	Optional Entry of Balance at Beginning of Year	Cost of Additions	Retirements Cost	No. of Units	Balance at End of Year	% Cond.	Depreciated Value
Prior						23	
1991						23	
1992						28	
1993						29	
1994						31	
1995						33	
1996						36	
1997						38	
1998						42	
1999						45	
2000						49	
2001						54	
2002						60	
2003						67	
2004						76	
2005						89	
TOTALS							

**SCHEDULE 7 (continued) - STATEMENT OF TOTAL COST OF ROLLING STOCK
OWNED OR LEASED BY YEAR OF ACQUISITION**

Passenger Train Cars (Account 54)

Acquisition Year	Optional Entry of Balance at Beginning of Year	Cost of Additions	Retirements Cost	No. of Units	Balance at End of Year	% Cond.	Depreciated Value
Prior						23	
1991						23	
1992						28	
1993						29	
1994						31	
1995						33	
1996						36	
1997						38	
1998						42	
1999						45	
2000						49	
2001						54	
2002						60	
2003						67	
2004						76	
2005						89	
TOTALS							

Highway (Account 55) or Work Equipment (Account 57) (Provide a separate page for each)

Acquisition Year	Optional Entry of Balance at Beginning of Year	Cost of Additions	Retirements Cost	No. of Units	Balance at End of Year	% Cond.	Depreciated Value
Prior						23	
1991						23	
1992						28	
1993						29	
1994						31	
1995						33	
1996						36	
1997						38	
1998						42	
1999						45	
2000						49	
2001						54	
2002						60	
2003						67	
2004						76	
2005						89	
TOTALS							

SCHEDULE 8 (a) PRIVATE CARS, MILEAGE OF CARS, ETC.	
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[illegible]

[illegible]

SCHEDULE 9 - RAILWAY OPERATING REVENUES**Schedule 9 - Railway Operating Revenues - is deleted. Use Schedule 4.****SCHEDULE 10 - RAILWAY OPERATING EXPENSES**

Class of Railway Operating Expenses	System
Maintenance of Way and Structures (Less Depreciation and Retirements)	
Road Property - Depreciation	
Road - Retirements	
Total Maintenance of Way and Structures	
Maintenance of Equipment (Less Depreciation and Retirements)	
Shop and Power Plant Machinery - Depreciation	
Equipment - Retirements	
Equipment - Depreciation	
Total Maintenance of Equipment	
Traffic	
Transportation - Rail Line	
Miscellaneous Operations	
General	
Total Railway Operating Expense	
Ratio of Operating Expense to Operating Revenues	

SCHEDULE 11 - ALLOCATION FACTORS FOR 20_____

A. Freight Service:	System	Michigan
1. Tons - Revenue Freight		
2. Tons - Non-Revenue Freight		
3. Ton Miles - Revenue Freight		
4. Ton Miles - Non-Revenue Freight		
5. Percent of Item 3 in Each State		

B. Passenger Service:

1. Passengers Carried		
2. Passenger Miles - Revenue		
3. Percent of Item 2 in Each State		

C. Car Miles:

1. Freight Car Miles (Loaded and Empty)		
2. Percent of Item 1 in Each State		
3. Passenger Car Miles		
4. Percent of Item 3 in Each State		
5. All Other Car Miles		
6. Percent of Item 5 in Each State		
7. Total Car Miles (1+3+5)		
8. Percent of Item 7 in Each State		

D. Locomotive Unit Miles:

1. Freight Locomotive Unit Miles		
2. Percent of Item 1 in Each State		
3. Passenger Locomotive Unit Miles		
4. Percent of Item 3 in Each State		
5. All Other Locomotive Unit Miles		
6. Total Locomotive Unit Miles (1+3+5)		
7. Percent of Item 6 in Each State		

E. Revenues:

1. Freight Revenue		
2. Percent of Item 1 in Each State		
3. Passenger Revenue		
4. Percent of Item 3 in Each State		
5. All Other Revenue From Operation		
6. Total Operating Revenue (1+3+5)		
7. Percent of Item 6 in Each State		

SCHEDULE 11 (continued) - ALLOCATION FACTORS FOR 20____

F. Trackage:	System	Michigan
1. Miles of Road (Owned and Leased, Excl. Trackage Rights)		
2. Percent of Item 1 in Each State		
3. Miles of All Track (Excl. Trackage Rights)		
4. Percent of Item 3 in Each State		
5. Trackage Rights - Miles		
6. Total - All Track (Include Trackage Rights)		
7. Percent of Item 6 in Each State		

G. Revenue Freight Statistics:

1. Cars on Line - Originated		
2. Percent of Item 1 in Each State		
3. Cars on Line - Terminated		
4. Percent of Item 3 in Each State		
5. Cars at Connections - Received		
6. Percent of Item 5 in Each State		
7. Cars at Connections - Delivered		
8. Percent of Item 7 in Each State		

DO NOT SEND THIS PAGE TO THE STATE BOARD OF ASSESSORS.

INSTRUCTIONS

Following are instructions pertaining to the schedules in the annual report to be filed by all railroad, depot, switching and terminal companies operating in the State of Michigan, pursuant to Section 6 P.A. 282 of 1905 (Sec. 207.6, MCL).

Schedule 1 - Investment in Road Property Used in Transportation Service.

This schedule is to be submitted by all Railroads by Valuation Sections and calls for summary data relating to investment for the respondent's properties in Michigan.

Investment in Account 732, improvements on leased property shall also be reported on Schedule 1.

Accounts 37, 80 and 90 may be reported as individual totals in Total Michigan column, rather than by valuation sections.

Schedule 5 - Real Estate Owned or Leased and Used in Operation - Michigan.

Give detailed statement of real estate owned or leased by the respondent in Michigan on the 31st day of December **and used in operation**. Property listed in Accounts 731 and 732 is prima facie operating property. Where property included in Accounts 731 and 732 is not actually used for railway operating purposes, it should not be listed under Schedule 5 but should appear under Schedule 6. Property descriptions should be grouped by counties in Michigan, then later subdivided into townships, villages and cities. Each description should afford sufficient data to enable the State Board of Assessors to locate the property; should show the dimensions in feet, if such data is available; and the area in acres.

If the respondent has filed this information for a previous year, the carrier need submit with the annual report only the changes which have taken place during the year.

Schedule 6 - Non-Carrier Real Estate - Michigan.

In subdivision (A) of Schedule 6 give a summary of non-carrier real estate for the **system as a whole**, indicating **by states** the cash or market value of the real estate in each state, and the amount at which this property was assessed locally during the assessment period immediately preceding the filing of this report.

Under (B) file a detailed statement of real estate owned or leased by respondent in Michigan only, **not used in operation on the 31st day of December**, showing, as in Schedule 5, description and location, the dimensions in feet and the area in acres.

With respect to changes in this schedule, follow instructions under Schedule 5.

Schedule 7 - Rolling Stock.

Respondent shall include in Schedule 7 or attach a separate rider thereto, equipment in Accounts 52 - 57 leased from or to other companies, stating the costs by year of acquisition and names of the lessors or lessees thereof.

Schedule 8a - Private Cars, Mileage of Cars, etc.

In this schedule state the matters called for, attaching typewritten sheets if necessary.

Schedule 8b - Railroad Marked Cars, Mileage of Cars, etc.

In this schedule state the matters called for, attaching typewritten sheets if necessary.

Schedule 9 - Railway Operating Revenues.

In Schedule 9 give a detailed analysis of the major income items reflecting the use of the operating property (as classified by the Surface Transportation Board) owned or leased by the respondent. The proportion of joint traffic receipts belonging to other carriers should not be included. The breakdown between System and Michigan should be made in accordance with the respondent's records and reasonable estimates used wherever necessary. **Attach rider showing method used in allocating revenues to Michigan.**

(See, also, instructions for Schedule 11).

Schedule 11 - Allocation Factors For The Year.

For all interstate carriers an accurate determination of the allocation factors is necessary. Whereas the trackage and revenue freight statistics factors are determinable with a high degree of precision, the other allocation factors, namely; ton miles and passenger miles, car and locomotive miles, and gross revenues, are subject to some degree of elimination. To be complete, the return must show not only the resulting figures for each of these factors but the exact method used in determining them. **For our analysis, attach to your return a rider showing this in detail.**

For further details consult the Uniform System of Accounts for Railroad Companies, or communicate with the State Board of Assessors, P.O. Box 30471, Lansing, Michigan 48909-7971. Telephone (517) 373-3535 .